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JAPAN'S FOREIGN AID POLICY: 1988 UPDATE

Summary

Japan has set its sights on becoming the world's number-one economic aid donor and is expected to achieve this objective in the next year or two. While the strength of the yen has helped, it has been Tokyo's commitment to increased aid that has placed Japan within reach of this goal. Prime Minister Noboru Takeshita announced in June that Tokyo would more than double its aid to a total of $50 billion during the 1988-92 period compared to disbursements during the 1983-87 period. Japan also has taken significant initiatives on debt relief for lesser developed countries in order to improve their development prospects. Despite these expanding efforts, Japan remains below the average among the members of the Organization for Economic Cooperation and Development in terms of the percentage of gross national product it provides for development assistance.

Overview of Postwar Foreign Aid Policy

Since the Second World War Japan has evolved rapidly from a developing country to a developed one. Tokyo's aid policies have evolved as quickly. Four distinct stages of Japan's aid policy have been identified in the postwar period by aid experts William L. Brooks and Robert M. Orr.[1] From the mid-1950s until about 1965, Japanese payments were in the form of war reparations to Asia. Through the late 1960s until the first oil shock in 1973, Tokyo used its aid policy to promote exports and economic interdependence, again almost

[1]William L. Brooks and Robert M. Orr Jr., "Japan's Foreign Economic Assistance," Asian Survey, XXV, No. 3 (March 1985), p. 323.

exclusively in Asia. Japan would extend aid -- but with strings attached. Recipients in less developed countries were obligated to purchase products from Japan rather than being able to choose a lower-priced, comparable product from another country if one were available.

In the late 1970s in response to the two oil crises of that decade, Japan began examining ways to strengthen its relationship with resource-rich developing countries in order to diversify its dependency on a few suppliers and to ensure a continuing supply of vital natural resources. Tokyo began to look beyond Asia and more closely at the troubled Middle East. Japan eventually adopted a goal of 7-1-1-1, meaning 70 percent of its aid should go to Asia with the rest evenly divided among Africa, the Middle East and Central/South America. With by far the most concentrated population of poverty-stricken people in the world, Asia was an appropriate, primary beneficiary, Japan felt.

Japan added a "basic human needs" aspect to its philosophy of aid in the 1980s. Announced in 1981 by then Prime Minister Zenko Suzuki, this orientation was an attempt to shift the emphasis from mostly large-scale projects to smaller projects aimed more directly at the people most in need. Tokyo targeted four key sectors: rural and agricultural development, renewable energy resources, human resource development and small to midsize businesses.[2] It also increased aid for emergency and disaster relief, both for humanitarian reasons and to counter charges that its aid program had been largely export-oriented.

These changing motivations have been accompanied by a substantial increase in the quantity of Japanese foreign assistance as Tokyo adopted three aid-doubling plans. The first, announced in 1977, aimed at doubling that year's disbursements within five years, a target that was exceeded as outlays rose from $1.4 billion in 1977 to $3.3 billion in 1980. A second aid-doubling plan was adopted for the 1981-85 period. However, a slowdown in domestic economic growth and a policy of fiscal austerity -- together with a sharp depreciation of the yen -- prevented Japan from reaching the $21.4 billion target for that five-year period. (Aid disbursements are calculated in dollars at current-year exchange rates by the Organization for Economic Cooperation and Development.) Nonetheless, a third aid-doubling plan was announced in 1985, and Tokyo committed itself to disburse more than $40 billion in the seven-year period from 1986 through 1992. Early in 1987 Japan, whose sharply increasing trade surpluses were drawing growing international criticism, shortened the plan's time span to five years. Ultimately, at the June 1988 Toronto economic summit of the world's leading industrial democracies, Prime Minister Noboru Takeshita announced that the target would be increased from $40 billion to $50 billion.

1987 Official Development Assistance

Preliminary 1987 Organization for Economic Cooperation and Development figures show that net disbursements of official aid from the 18 countries that are members of its Development Assistance Committee totaled $41.2 billion, a decline of 2 percent in real terms from the 1986 level after correcting for

[2] Ibid., p. 327.

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inflation and exchange rate fluctuations. Accordingly, DAC members' official development assistance as a portion of gross national product dropped from 0.35 percent to 0.34 percent. Total resource flows (which also include development financing from multilateral sources, export credits, direct investment, bank lending and private flows) were approximately $84 billion in 1987, up from $82 billion in 1986 but a decline in real terms of 10.5 percent. This decline can be accounted for partly by massive prepayment of bank debt by South Korea.

In its report on financial resources for developing countries, the OECD singled out five countries as major factors in the 1987 ODA decline. The United States provided a more normal amount of bilateral aid in 1987 to several major recipients in contrast to the abnormally high amounts contributed to them in 1985 and 1986. Italy gave an unusually large amount of money in 1986 due to a bunching of its multilateral contributions. West Germany experienced a slowdown in bilateral lending because of disbursement difficulties and also reduced its contributions to multilateral organizations. Australia cut back on multilateral aid as part of its overall policy of budgetary restraint. And the United Kingdom's problems in disbursing aid to some major recipients prevented part of its fiscal year 1987 assistance from being distributed until the first quarter of 1988.

Japan stood out as one of three countries cited by the OECD for significant aid increases in 1987. Japan is approaching the status of the world's leading economic aid donor, thanks to its commitment to substantial real increases in development assistance and beneficial exchange rate changes. In 1987 its ODA at then current prices and dollar exchange rates jumped 32.3 percent to nearly $7.5 billion (see Table 1). Even after adjustment, Japanese assistance still expanded by an unprecedented 13.5 percent, in part due to Tokyo's decision to make ODA its contribution toward security cooperation (see below). From 1980 to 1986 the real growth in Japan's aid disbursements in dollar terms ran about 3 percent a year.

The other two countries specifically lauded by the OECD were France and Finland. France continued to expand its aid contributions and of the larger DAC nations maintained the highest ratio of ODA to GNP -- 0.51. (France's ratio increases to 0.75 if its aid to overseas territories is included.) Finland posted another substantial aid increase in 1987, this one of 14 percent, which raised its ODA/GNP ratio to 0.50. Belgium also raised its ratio in 1987. But 12 countries saw their ODA/GNP ratios fall, including the United States, where the figure fell from 0.23 to 0.20. Two countries, Sweden and Switzerland, remained at the same ODA/GNP level.

Japan's ODA/GNP share increased from 0.29 percent in 1986 to 0.31 percent last year (see Table 2), although this was still below the DAC average of 0.34 percent and the United Nations' recommended level of 0.7 percent. Only Norway, the Netherlands, Denmark and Sweden have been able to achieve and maintain the U.N. goal of 0.7 percent. (This excludes aid to territories.) Norway remains the sole country to annually contribute more than 1 percent of its GNP, the original suggestion of the ideal ODA level. In 1987 Norway contributed 1.10 percent of its GNP in ODA, down from 1.17 percent in 1986.

The major increase in Japanese ODA in 1987 came in bilateral disbursements, particularly loans. Net lending advanced by 20 percent in real terms, and this expansion accounted for 60 percent of the overall ODA increase. Contributions to multilateral organizations also were up but by a more modest 6 percent in real terms.

Table 1: ODA of Major Donor Countries, 1983-87

(in millions of dollars)

1987 Rank	Country	1983	1984	1985	1986	1987*	Share of Total DAC ODA 1987*
1	United States	$8,081	$8,711	$9,403	$9,564	$8,776	21.3%
2	Japan	3,761	4,319	3,797	5,634	7,453	18.1
3	France**	3,815	3,788	3,995	5,105	6,600	16.0
4	West Germany	3,176	2,782	2,942	3,832	4,433	10.8
5	Italy	n.a.	1,133	1,099	2,403	2,407	5.8
6	Netherlands	1,195	1,268	1,136	1,740	2,904	5.1
7	United Kingdom	1,610	1,418	1,530	1,737	1,887	4.6
DAC Total		27,560	28,686	29,429	36,653	41,219	100.0

*Preliminary.
**Including overseas territories and prefectures.

Source: Organization for Economic Cooperation and Development

Table 2: ODA as Percentage of GNP for DAC Countries, 1983-87

(in millions of dollars)

1987 Rank		1983		1984		1985		1986		1987*		Percent Change 1986-87*
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	
1	Norway	$584	1.10%	$543	1.02%	$574	1.01%	$798	1.20%	$891	1.10%	11.7%
2	Netherlands	1,195	0.91	1,268	1.02	1,136	0.91	1,740	1.01	2,094	0.98	20.3
3	Denmark	395	0.73	449	0.85	440	0.80	695	0.89	859	0.88	23.6
4	Sweden	754	0.84	741	0.80	840	0.86	1,090	0.85	1,337	0.85	22.7
5	France**	3,815	0.74	3,788	0.77	3,995	0.78	5,105	0.72	6,600	0.75	29.3
6	Finland	153	0.32	178	0.36	211	0.40	313	0.45	432	0.50	38.1
7	Belgium	480	0.69	433	0.56	440	0.55	549	0.49	692	0.49	26.6
8	Canada	1,429	0.45	1,625	0.50	1,631	0.49	1,695	0.48	1,880	0.46	10.9
9	West Germany	3,176	0.48	2,782	0.45	2,942	0.47	3,832	0.43	4,433	0.39	15.7
10	Australia	753	0.49	777	0.46	749	0.48	752	0.47	618	0.33	-17.8
11	Italy	834	0.24	1,133	0.33	1,098	0.31	2,404	0.40	2,427	0.32	1.0
12	Japan	3,761	0.32	4,319	0.35	3,797	0.29	5,634	0.29	7,453	0.31	32.5
13	Switzerland	320	0.31	286	0.30	302	0.31	422	0.30	532	0.30	26.2
14	United Kingdom	1,610	0.35	1,418	0.33	1,530	0.33	1,750	0.32	1,887	0.28	8.6
15	New Zealand	61	0.28	55	0.25	54	0.25	75	0.30	59	0.21	-9.6
16	Ireland	n.a.	n.a.	35	0.22	39	0.24	62	0.28	51	0.20	-17.8
16	United States	8,081	0.24	8,711	0.24	9,403	0.24	9,564	0.23	8,776	0.20	-8.2
18	Austria	158	0.24	181	0.28	248	0.38	198	0.21	196	0.17	-0.7
DAC Total		27,560	0.35	28,686	0.36	29,429	0.35	36,653	0.35	41,219	0.34	

*Preliminary.
**Including overseas territories and prefectures.

Source: Organization for Economic Cooperation and Development

U.S. aid in contrast grew at a sustained rate during the first half of the 1980s, remained stable in 1986 but fell substantially in 1987 -- 11 percent in real terms. This decline was attributed mainly to a return to a more normal level of grants to a small number of countries that had received unusually large amounts of assistance in 1985 and 1986. In addition, U.S. contributions to multilateral organizations declined by 6 percent in real terms, in part because of reduced donations to U.N. programs.

Criticisms and Alternative Initiatives

Last year's jump in Japan's development assistance has not quelled the long-running internal criticism of its aid program. One perennial problem is that yen loans cannot be acted on quickly due to the different interests and priorities of the four government organizations -- Foreign Affairs, Finance, International Trade and Industry and the Economic Planning Agency -- that formulate aid policies. Moreover, several other ministries and agencies are involved in particular aspects of ODA programs. Since loans, grants and technical cooperation are handled separately by different organizations, it is difficult to coordinate an efficient response to particular situations.

Many aid experts also have called on Japan to improve the quality of its aid through the provision of more grants. Grants, technical cooperation and contributions to multilateral agencies have accounted for 60 percent-plus of Japan's ODA over the last five years (see Appendix), which is below the average for DAC countries.

Another suggestion is that Japan should ease the debt burden of countries to which it has made yen loans. With the yen nearly doubling in value against the dollar over the past three years, many countries are finding it more difficult to pay back the loans. Some experts suggest that the portion of the payment that is due to the yen's appreciation be forgiven.

In May Tokyo decided to lower interest rates on new loans by almost half a percentage point, with the rates now ranging from 1 percent for the least developed countries to 4 percent for middle-income countries. Moreover, this fall the Export-Import Bank of Japan made its first dollar-based loan to Indonesia after Indonesia claimed that it was having trouble with repayments since its largest export earner, oil, is denominated in dollars. Although making a dollar-denominated loan is highly unusual, Tokyo has indicated that this is a possibility if there are extenuating circumstances.

Tokyo has been wary of any general program of debt relief but it has approved a $5.5 billion debt-relief package for 17 developing nations. Finance Minister Kiichi Miyazawa also has proposed that the International Monetary Fund work out new arrangements with debtor countries to ease their repayment burdens (see JEI Report No. 24B, June 24, 1988).

Tokyo believes developing countries should become self-sufficient as soon as possible. This has been one reason Japan has given so many loans rather than grants: it wants to provide countries with incentives to move ahead and does not want to create a "welfare-type" dependency on aid. One shortcoming of this policy is that Japan's previous, oft-cited antipathy toward importing manufactured goods has made it a difficult market for developing countries, which need to earn money from exports to repay debts.

Moreover, Tokyo has long emphasized a partnership approach in its aid policy. This has led it to refrain from initiating or dictating the types of projects it would finance. Instead, it would only respond to specific requests from recipient countries. (Recent hints to Rangoon that future Japanese aid might depend on internal Burmese reforms may represent the beginning of a policy reappraisal.) But this policy, together with Japan's insistence on a detailed feasibility study before supplying funds for a project, has meant that many projects grew out of suggestions by Japanese companies to local governments. Under such circumstances, these companies often have had an inside track on winning the construction and equipment contracts.

Another contentious issue is whether Japan's loans are tied or not. While Tokyo maintains that the loans are untied, Ambassador Ernest Preeg, deputy administrator for the U.S. Agency for International Development, said at a conference in February 1988 that according to a DAC definition of tied aid, Japanese loans are tied. By that definition, if any portion of a loan is tied, then the whole loan is considered tied. Since Japan's loans have in effect required Japanese consultancy, the loans were considered tied according to the DAC terminology. Tokyo decided earlier this year to phase out the consultancy requirement, although exceptions have been made on loans to certain countries, such as China and Indonesia.

An additional common complaint about Tokyo's aid program is that despite the goal of channeling a larger proportion of assistance to regions outside Asia, its geographic focus has not changed. As a case in point, the Overseas Economic Cooperation Fund, which handles all loans, allocated 89.1 percent of its money in FY 1987 to countries in Asia. Africa got the second-highest allocation, yet it received only 5.2 percent of the available funds, followed by Central and South America, with 4.3 percent. Lending to Asia during April 1987-March 1988 was substantially higher than for fiscal year 1986, when it was 77.8 percent, and above the 10-year average of 82.8 percent.

OECF loans are made to foreign governments and to Japanese corporations investing in LDCs. The OECF in 1987 disbursed nearly $4.4 billion to foreign governments and $181 million to Japanese businesses. These funds were used primarily to finance such projects as electric power (24.4 percent) and transportation (21.2 percent) and for commodity loans (19.5 percent). The FY 1987 loans to foreign governments were 99.9 percent untied, according to OECF sources.

At least one of the critics of Japan's aid program has gone beyond complaining and offered suggestions. Keidanren (Japan Federation of Economic Organizations) believes that in order to improve the quality of the aid being given, Japan must alter the implementation of the programs. Keidanren focuses its recommendations on improving coordination efforts among the Japanese organizations handling aid. Keidanren has accused Japan's ODA system, which involves numerous ministries and agencies, of being "complex and inefficient."

Keidanren also has begun a study of how to foster greater export earnings in developing countries. Its proposal is based on the idea that the private sector must make a concerted effort to assist the LDCs through direct investment, which can help to transfer technology and management techniques without incurring new debts. Keidanren's "International Cooperation Project Development and Investment Company" would, however, involve private-sector loans as well as direct investment.

In addition, Keidanren supports the Japanese government's 1987 plan to recycle $30 billion from Japan's current account surplus over a three-year

period. (For a description of this plan, see JEI Report No. 41A, October 30, 1987.) The recycled monies not only would help lower Japan's current account surplus but could help alleviate the image Japan acquired in the late 1960s of using aid to benefit its exports.

Finally, Keidanren sees a need to change the role of Japan's Export-Import Bank. The business organization envisions the bank financing more imports from LDCs, which, in turn, would expand the amount of money available to repay their debts.

Technical Cooperation

Money without the wherewithal to turn it toward the most effective task is not money well spent -- or so believe many who increasingly have called for Japan to offer more technical assistance as part of its overall aid program. Especially since Japan has become so highly regarded for its successes in the areas of high technology and in business management, developing countries would like to learn these much-needed skills from it. Through technical cooperation they hope to achieve transfers of technology that will help them earn export income so that they, too, can follow the economic development models of Japan and the "Four Tigers" -- Hong Kong, Taiwan, South Korea and Singapore. Thailand and Malaysia are among the countries that already are clamoring at the door to be the next tigers. Because Japan is an Asian country, the Asian LDCs believe that its experience is best suited to help other Asian nations rise from developing to developed nation (see JEI Report No. 28A, July 22, 1988). While many of these Asian countries suffered under Japanese colonial rule and military occupation before and during World War II and would be critical of a buildup of Japanese military power, they welcome the economic and the technical aid they so desperately need.

Japanese technical cooperation is designed to help develop the human resources of LDCs. This fits in well with the Japanese aid philosophy of developing self-reliance. Through education and training, these new technicians will be able to help create and run an effective development program for their own country. Japan's technical help is carried out on both the public and the private levels, with the Japan International Cooperation Agency responsible for coordinating the government's technical-sharing programs and also in charge of a disaster-relief program. Technical cooperation volunteers are coordinated by the Japan Overseas Cooperation Volunteers.

One of the problems facing technical sharing is the need not just for technology transfers but also for the appropriate technology. Some highly advanced technology may be too complicated to use or maintain in developing countries, which lack trained technicians to run or repair the equipment. Another potential stumbling block is that much of this technology is privately owned and must be transferred through foreign investment or joint ventures. When the project stalls or fails, as happened in the Bohai oil-drilling project -- a joint venture between Japanese companies and China using very advanced technology to extract oil from beneath the sea -- then the technology transfer will be of little value. Thus, some future projects are being viewed more skeptically and as risky by the private sector.

Foreign Aid and Japan's International Role

ODA has become an increasingly important concept for Japan, not simply because of the humanitarian aspects but because Japan has chosen to use ODA as

its main contribution toward political and security cooperation. While boosting its defense outlays, Tokyo also has been increasing its foreign aid more rapidly in recent years, partially in response to the sharp criticisms of some U.S. defense experts who have been demanding that Japan contribute more for maintaining international security and stability and stop taking a "free ride."

Congressional committees reexamined the issue of burdensharing again this year. Most of the witnesses on Japanese aid concluded that Japan was indeed contributing or making an effort to contribute a fair portion. The witnesses pointed out that Japan's security zone is usually considered to be the Pacific while the United States has taken on more global responsibilities. The portion that Japan allots to defense and foreign aid is considered appropriate by these defense and foreign policy experts for the size and situation of the Pacific region (see JEI Reports No. 19A, May 13, 1988, and No. 33B, August 26, 1988).

While many in and outside of Congress would like to have Japan increase its ODA expenditures, they overlook the fact that as Japan's international contributions grow, Tokyo's influence also grows. Tokyo would like to have an international role that better reflects its economic status in the world. For instance, Japan is interested in gaining a permanent seat on the United Nations Security Council. This, and other roles of recognized leadership, may not be easy to attain. It is not clear how much clout the United States or other nations will be willing to concede to Japan. Where the United States and Japan have similar agendas, this does not pose too much of a problem. But as Japan becomes more of a world leader, it will develop its own priorities, which in some cases may not coincide with those of the United States.

Conclusion

Tokyo's new aid-doubling plan, announced at the economic summit in Toronto, has placed the spotlight on Japan's aid program. As international pressures continue to push Japan to take a role in world affairs more commensurate with its economic strength, Japan will need to develop ever more effective aid strategies. Increasingly Tokyo will be pressed to give or withhold aid for strategic purposes and, thus, will need to develop a more clearly delineated foreign policy.

Japan will need to continue not only the quantitative increases in its aid, which have made it the leading donor to 25 countries, but also the qualitative improvements, as Foreign Minister Sousuke Uno has pointed out. A related area, in which Tokyo is poised to take initiatives independent of the United States, is Third World debt relief. However, the proposal by Finance Minister Miyazawa to help alleviate the debt situation, especially in Latin America, has not been warmly received by the United States, which traditionally has considered this to be its area of expertise and influence (see JEI Report No. 38B, October 7, 1988). As Japan assumes more of the responsibilities and leadership associated with its economic position, there is sure to be continued critical evaluation of its programs and its motives.

For further information, contact Gretchen Green.

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The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.

APPENDIX

Table 1: Net Flow of Financial Resources from Japan to Developing Countries and Multilateral Agencies, 1983-87

(in millions of dollars)

Type of Transaction	1983	1984	1985	1986	1987	Percent Change 1986-87
Official Development Assistance	$3,761	$4,319	$3,797	$5,634	$7,453	32.3%
Change Over Previous Year	24.4%	14.8%	-12.1%	48.4%	32.3%	
ODA/GNP Ratio	0.33%	0.34%	0.29%	0.29%	0.31%	
Bilateral Assistance	2,425	2,427	2,557	3,846	5,246	36.4%
Grants	993	1,064	1,185	1,703	2,219	30.3%
Capital Grant Assistance	535	543	636	855	1,154	35.0%
Technical Assistance	458	521	549	849	1,065	25.4%
Development Lending and Capital	1,432	1,363	1,372	2,143	3,027	41.3%
Grants, Capital Subscription and Loans to Multilateral Agencies	1,336	1,891	1,240	1,788	2,207	23.4%

Notes: 1. Net disbursement basis.
2. Due to rounding, the figures do not necessarily add up to the totals.

Source: Ministry of Foreign Affairs

Table 2: Japan's Bilateral ODA by Region, 1983-87

(in millions of dollars)

Year	Total	Asia	Middle East	Africa	Latin America	Europe	Oceania	Unallocable
1983	$2,425 (100.0%)	$1,614 (66.5%)	$150 (6.2%)	$287 (11.8%)	$241 (9.9%)	$23 (1.0%)	$18 (0.7%)	$93 (3.8%)
1984	$2,427 (100.0%)	$1,594 (65.7%)	$249 (10.3%)	$211 (8.7%)	$229 (9.4%)	$1 (0.0%)	$25 (1.0%)	$117 (4.8%)
1985	$2,557 (100.0%)	$1,732 (67.8%)	$201 (7.9%)	$252 (9.9%)	$225 (8.8%)	$1 (0.0%)	$24 (0.9%)	$122 (4.8%)
1986	$3,846 (100.0%)	$2,494 (64.8%)	$340 (8.8%)	$418 (10.9%)	$317 (8.2%)	$2 (0.1%)	$55 (1.4%)	$221 (5.7%)
1987	$5,246 (100.0%)	$3,416 (65.1%)	$526 (10.0%)	516 (9.8%)	$418 (8.0%)	$2 (0.0%)	$68 (1.3%)	$302 (5.8%)

Note: Net disbursement basis.

Source: Ministry of Foreign Affairs

Table 3: Major Recipients of Japan's ODA, 1983-87

(in millions of dollars)

1983		1984		1985		1986		1987	
Country	Amount	Country	Amount	Country	Amount	Country	Amount	Country	Amount
China	$350	China	$389	China	$386	China	$497	Indonesia	$707
Thailand	248	Malaysia	245	Thailand	264	Philippines	438	China	553
Indonesia	236	Thailand	232	Philippines	240	Thailand	260	Philippines	379
Philippines	147	Indonesia	168	Indonesia	161	Bangladesh	248	Bangladesh	334
India	130	Philippines	160	Burma	154	Burma	244	India	304
Burma	114	Bangladesh	123	Malaysia	126	India	227	Thailand	303
Bangladesh	104	Burma	95	Bangladesh	121	Indonesia	161	Malaysia	276
Malaysia	92	Egypt	81	Pakistan	93	Pakistan	152	Burma	172
Sri Lanka	73	Pakistan	67	Sri Lanka	84	Sri Lanka	127	Turkey	162
Pakistan	73	Sri Lanka	64	Egypt	73	Egypt	126	Pakistan	127

Note: Net disbursement basis.

Source: Ministry of Foreign Affairs

B

Table 4: Major Recipients of ODA, 1986

(percent of total ODA by donor country)

Japan		United States		All DAC Countries	
China	8.2%	Israel	19.1%	Israel	5.7%
Philippines	7.5	Egypt	12.8	Egypt	4.8
Indonesia	5.8	El Salvador	2.8	India	3.0
Thailand	5.7	Philippines	2.6	Indonesia	2.4
Burma	4.0	Sudan	2.4	Philippines	2.1
Bangladesh	3.6	Pakistan	2.3	Bangladesh	2.1
India	3.4	Pacific Islands	1.8	Pakistan	1.8
Pakistan	2.7	Honduras	1.7	China	1.8
Egypt	2.3	Bangladesh	1.6	Sudan	1.6
Malaysia	2.2	Costa Rica	1.6	Tanzania	1.4
Sri Lanka	2.1	India	1.5	Thailand	1.3
Korea	1.9	Peru	1.4	Ethiopia	1.2
Nepal	1.1	Ethiopia	1.2	Reunion	1.1
Turkey	1.0	Jamaica	1.1	Sri Lanka	1.1
Brazil	0.9	Indonesia	1.0	Kenya	1.1
Mexico	0.9	Turkey	1.0	Morocco	1.0
Zambia	0.9	Dominican Republic	1.0	Turkey	0.9
Kenya	0.8	Portugal	0.9	El Salvador	0.9
Tanzania	0.6	Bolivia	0.9	Burma	0.9
Peru	0.6	Morocco	0.8	Martinique	0.9
Paraguay	0.6	Sri Lanka	0.8	Zambia	0.8
Sudan	0.5	Guatemala	0.7	Peru	0.8
Jordan	0.5	Haiti	0.7	Mozambique	0.8
Honduras	0.5	Somalia	0.7	Senegal	0.8
Ghana	0.5	Niger	0.6	Zaire	0.8
Subtotal	59.1	Subtotal	63.0	Subtotal	40.9
Multilateral	28.1	Multilateral	15.7	Multilateral	25.3
Unallocated	3.6	Unallocated	10.7	Unallocated	9.9
Total ODA*	$5,386	Total ODA*	$10,147	Total ODA*	$35,470

*In millions of dollars.

Source: Organization for Economic Cooperation and Development, Development Cooperation: 1987 Report

C